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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 7, 2014

Eric Flippo
Cornerstone Industries, Inc.
P. O. Box 2740
Cedar City, Utah 84721

Subject: Permitting Status, Cornerstone Industries, Highland Mist Mine, S/021/0035, Iron County, Utah

Dear Mr. Flippo:

The Highland Mist mine is in good standing with the Utah Division of Oil, Gas and Mining (Division). The Division holds a reclamation surety in the amount of \$56,800.00 for ten acres of disturbance, and the surety is next due for evaluation on September 30, 2015. Permit fees are up to date, and there are no pending compliance actions. The site was inspected September 24, 2014, and no problems were noted.

The only pending action of which I am aware is a cessation order received by Cornerstone Industries, Inc.'s, predecessor, Anasazi Gold Reserves, Inc. This cessation order required an increased reclamation surety which has now been received. Anasazi Gold Reserves still owes a civil penalty of \$3370.00, but **the Division does not hold Cornerstone Industries responsible for this fine.**

Please contact me at 801-538-5261 if we may be of further assistance.

Sincerely,

Paul Baker
Minerals Program Manager

PBB: eb

Enclosure: Inspection Report

CC: ericflippo@kingdomindustries.us

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